

Hearing Date and Time: February 18, 2010 at 10:00 a.m., E.T.
Response Deadline: February 8, 2010 at 4:00 p.m., E.T.

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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

-----X		
In re	:	Chapter 11
	:	
Old Carco LLC	:	Case No. 09-50002 (AJG)
(f/k/a Chrysler LLC), <i>et al.</i> ,	:	
	:	(Jointly Administered)
Debtors.	:	
	:	
-----X		

**SUPPLEMENT TO THIRD JOINT MOTION OF DEBTORS AND
DEBTORS IN POSSESSION AND CHRYSLER GROUP LLC, PURSUANT
TO SECTIONS 105, 362, 363 AND 365 OF THE BANKRUPTCY CODE, FOR AN
ORDER ENFORCING AUTOMATIC STAY AND PROVISIONS OF (A) ORDER
(I) AUTHORIZING THE SALE OF SUBSTANTIALLY ALL OF THE DEBTORS'
ASSETS FREE AND CLEAR OF ALL LIENS, CLAIMS, INTERESTS AND
ENCUMBRANCES, (II) AUTHORIZING THE ASSUMPTION AND ASSIGNMENT OF
CERTAIN EXECUTORY CONTRACTS AND UNEXPIRED LEASES IN CONNECTION**

THEREWITH AND RELATED PROCEDURES AND (III) GRANTING RELATED RELIEF; AND (B) ORDER, PURSUANT TO SECTIONS 105 AND 365 OF THE BANKRUPTCY CODE AND BANKRUPTCY RULE 6006, (A) AUTHORIZING THE REJECTION OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES WITH CERTAIN DOMESTIC DEALERS AND (B) GRANTING CERTAIN RELATED RELIEF

TO THE HONORABLE ARTHUR J. GONZALEZ,
UNITED STATES BANKRUPTCY JUDGE:

Old Carco LLC f/k/a Chrysler LLC ("Old Carco") and its affiliated debtors and debtors in possession (collectively with Old Carco, the "Debtors") and Chrysler Group LLC f/k/a New CarCo Acquisition LLC ("New Chrysler") hereby supplement their Third Joint Motion of Debtors and Debtors in Possession and Chrysler Group LLC, Pursuant to Sections 105, 362, 363 and 365 of the Bankruptcy Code, for an Order Enforcing Automatic Stay and Provisions of (A) Order (I) Authorizing the Sale of Substantially all of the Debtors' Assets Free and Clear of all Liens, Claims, Interests and Encumbrances, (II) Authorizing the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases in Connection Therewith and Related Procedures and (III) Granting Related Relief; and (B) Order, Pursuant to Sections 105 and 365 of the Bankruptcy Code and Bankruptcy Rule 6006, (A) Authorizing the Rejection of Executory Contracts and Unexpired Leases with Certain Domestic Dealers and (B) Granting Certain Related Relief (Docket No. 6297) (the "Motion").¹

¹ Capitalized terms not otherwise defined herein have the meanings given to them in the Motion.

In particular, the Debtors and New Chrysler hereby file for the record the attached Supplement to First Amended Application for Temporary Restraining Order and Temporary Injunction, and Alternative Pleading (the "Dealer Supplemental Application"). See Annex 1 hereto. The Dealer Supplemental Application was filed by the Noncompliant Dealers in Texas state court on or about January 20, 2010 to supplement the Noncompliant Dealers' Application attached to the Motion as Exhibit C.

Dated: January 29, 2010
New York, New York

Respectfully submitted,

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- and -

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ATTORNEYS FOR CHRYSLER GROUP LLC

Annex 1

CAUSE NO. D-1-GN-10-000076

ARCHER AUTOMOTIVE, INC. and	§	IN THE DISTRICT COURT
ARCHER VOLKSWAGEN, INC.,	§	
Applicants	§	
	§	
V.	§	261 st JUDICIAL DISTRICT
	§	
TEXAS DEPARTMENT OF MOTOR	§	
VEHICLES,	§	
Respondent	§	OF TRAVIS COUNTY, TEXAS

SUPPLEMENT TO FIRST AMENDED
APPLICATION FOR TEMPORARY RESTRAINING
ORDER AND TEMPORARY INJUNCTION, and ALTERNATIVE PLEADING

TO THE HONORABLE JUDGE OF SAID COURT:

Now come ARCHER AUTOMOTIVE, INC. and ARCHER VOLKSWAGEN, INC. and jointly make this Supplement to their First Amended Application for Temporary Restraining Order and Temporary Injunction against the TEXAS DEPARTMENT OF MOTOR VEHICLES, and would further show in support of this request for equitable relief:

7.01 Injunctive relief is the primary relief requested in Applicants' Application. It is not ancillary to a suit against the Respondent TDMV, but is ancillary to the Applicants' Arbitration actions docketed and currently pending pursuant to the Act.¹ Texas jurisprudence recognizes arbitration as a valid process for the hearing and determining of a legal dispute, and the source for referral to Arbitration is in this instance the Act, which provides standing to demand arbitration to a "covered dealership" that was "not lawfully terminated under applicable State law...", i.e., terminated pursuant to the Chrysler Bankruptcy proceedings.

¹ Respectively docketed: (1) 70 532 00019 10 JM LE Archer Automotive, Inc. f/k/a/ Archer Chrysler-Plymouth, Inc. and Chrysler Group, LLC; and (2) 70 532 00020 10 JM LE Archer Volkswagen, Inc. f/k/a Archer Dodge, Inc. and Chrysler Group, LLC.

8.01 As injunctive relief is the primary relief requested of Respondent, pursuant to Tex.Civ.Prac.Rem.Code §65.011(3), venue is proper in Travis County pursuant to Tex.Civ.Prac.Rem.Code §65.023, because Respondent is an agency of the State of Texas with its headquarters in Austin, Travis County, Texas.

9.01 The purpose of the injunctive relief sought is to preserve as open points,² Chrysler, Dodge and Jeep points in the geographic area of the Houston Metro Market where Applicants were located at the time their franchise agreements were rejected, pending conclusion of the Arbitrations between Applicants and Chrysler, LLC. Pleading in the alternative, Applicants seek a permanent injunction against Respondent, TDMV, of a reasonable and limited period, and, should same be necessary, an interim temporary injunction.

10.01 Applicant ARCHER AUTOMOTIVE, INC. is likely to succeed on the merits of its Arbitration action, as it is a stable, well-capitalized dealership with tremendous name recognition in the Houston Metro Market. Applicant met or exceeded all facility requirements for its sales, service and parts facilities, and has maintained its position as one of the top 10 dealerships in the country in parts sales for over 15 years. This dealership was a Five Star rated dealership - the top rating Chrysler offers with regard to customer satisfaction - at the time of its termination.

11.01 Applicant ARCHER VOLKSWAGEN, INC. is likely to succeed on the merits of its Arbitration action, as it is a stable, well-capitalized dealership with tremendous name recognition in the Houston Metro Market. Applicant met or exceeded all facility requirements for its sales,

² "Open point" in this instance referring to a geographic area of the market without a Franchised New Motor Vehicle Dealer Licensee.

service and parts facilities, having one of the nicest and largest Dodge-franchised facilities in the country. It was profitable, having new and used vehicle sales in excess of 2000 units in 2006 and 2007, and at least average if not above average vehicles sales for the Houston Metro Market in 2008 and 2009.

12.01 There were only four Chrysler-franchised dealers terminated in the Houston Metro Market, and all of them were Archer dealerships. The third Archer dealership to be terminated was also operated by an entity under the ownership and management of Robert P. Archer, President of both Applicants, and the fourth Archer dealership to be cut was operated by an entity under the ownership of James E. Archer, Jr., Robert's brother. It is also relevant that the Archer brothers, including the entities which are Applicants herein, have complained regarding the manufacturer both through the filing of an enforcement complaint, and through the filing of a formal administrative protest.

13.01 Applicants request that the bond in the amount of \$500.00 posted by Applicants as security for the Temporary Restraining Order be continued to provide security for the Temporary Injunction, should same be granted.

14.01 In order to conform their pleadings to the Temporary Restraining Order issued on January 11, 2010 should same be necessary and for the purpose of clarification, Applicants pray that after hearing, the Court issue a Temporary Injunction, or reasonably limited Permanent Injunction, providing the following relief:

1. enjoining Respondent and its officers, agents, servants, and employees from directly or indirectly processing or continuing to process, or completing process of the license application, or approving the license application submitted to Respondent by


GILLMAN XSM, LLC for the Chrysler, Jeep and Dodge line-makes at the proposed dealership location of 10585 W. Sam Houston Parkway S., Houston, Texas during the pendency of Applicants' Arbitration actions;

2. enjoining Respondent and its officers, agents, servants, and employees from processing any other, additional or subsequent license applications or amendments which seek licensure for the Chrysler or Jeep line-makes in Fort Bend County or Harris County, without notice first being provided by Respondent to Applicant ARCHER AUTOMOTIVE, INC., such notice to be provided to counsel for Applicants within 7 days of an application or amendment being assigned to a licensing clerk (during the pendency of Applicant ARCHER AUTOMOTIVE, INC.'s Arbitration Action); and
3. enjoining Respondent and its officers, agents, servants, and employees from processing any other, additional or subsequent license applications or amendments which seek licensure for the Dodge line-make in Fort Bend County or Harris County, without notice first being provided by Respondent to Applicant ARCHER VOLKSWAGEN, INC., such notice to be provided to counsel for Applicants within 7 days of an application or amendment being assigned to a licensing clerk (during the pendency of Applicant ARCHER VOLKSWAGEN, INC.'s Arbitration Action).

Respectfully submitted,

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By:


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Attorney for Applicants
ARCHER AUTOMOTIVE, INC. and
ARCHER VOLKSWAGEN, INC.

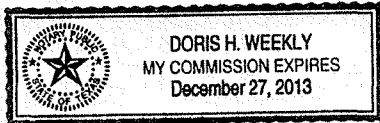
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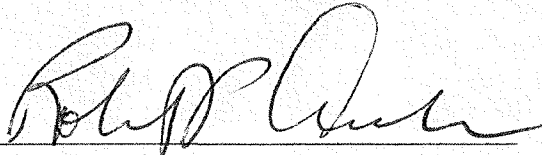
STATE OF TEXAS §

COUNTY OF HARRIS §

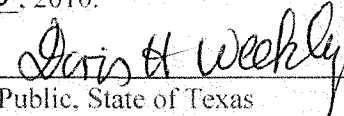
BEFORE ME, the undersigned authority, on this day personally appeared Robert P. Archer, Sr., who swore on oath that the following facts are true:

"I am President of ARCHER AUTOMOTIVE, INC. (f/k/a Archer Chrysler-Plymouth, Inc.), and President of ARCHER VOLKSWAGEN, INC. (f/k/a Archer Dodge, Inc.). I am over the age of 18 years, have not been convicted of a felony and am competent to make this Affidavit. I have personal knowledge of the facts stated in Paragraphs 10.01 - 12.01 above, and they are true and correct. I am authorized to make this Affidavit and to apply for injunctive relief on behalf of Applicants."




Robert P. Archer, Sr.
Affiant

SIGNED under oath before me on January 20, 2010.


Notary Public, State of Texas

CERTIFICATE OF SERVICE

This is to certify that a true and correct copy of Supplement to First Amended Application for Temporary Restraining Order and Temporary Injunction, and Alternative Pleading has been forwarded on this 27th day of January, 2010 to the following:

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Assistant Attorney General, Office of the Attorney General
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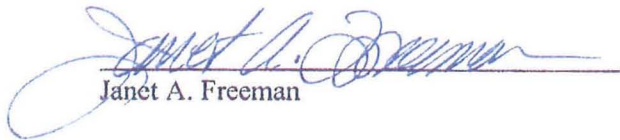
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